

Old Age, Disability, Death

First laws: 1911 (wage earners) and 1931 (salaried employees).

Current law: 1987.

Type of program: Social insurance system.

Exchange rates: U.S.\$1.00 equals 34.81 francs.

One euro equals 40.34 francs.

Coverage

All economically active persons in the private and public sectors including self-employed.

Special systems for railway and public employees who entered employment before December 31, 1998.

Source of Funds

Insured person: 8% of earnings.

Employer: 8% of payroll.

Government: 8% of earnings.

Minimum amount for contribution and benefits purposes: 100% of social minimum wage (46,878 francs per month); maximum, 5 times the social minimum wage (234,392 francs per month).

Qualifying Conditions

Old-age pension: Age 65 (men and women) and 120 months of coverage. An early old-age pension is payable at age 60 with 480 months of paid or deemed coverage.

An early pension is also payable at age 57 with 480 months of paid coverage; retirement necessary.

Retirement may be deferred to age 68. A partial pension, combined with part-time employment, also possible.

Disability pension: Under age 65. Inability to perform former occupation or any similar occupation permitted by the person's strength and aptitude. 12 months of coverage during the 3 years before onset of disability.

Survivor pension: 12 months of coverage in 3 years before insured's death or insured was pensioner at death.

Old-Age Benefits

Old-age pension: Lump-sum of 9,840 francs per month if insured for 40 years.

Benefit is reduced 1/40 for each year less than 40, plus increments equal to 1.78% of adjusted lifetime covered earnings per year of completed insurance coverage.

Minimum pension: 40,255 francs per month if insured for 40 years; reduced by 1/40 for each year less than 40. If less than 20 years of insurance, minimum pension is not payable.

Maximum pension: 186,366 francs per month.

Adjustment: Automatic indexation of pensions to changes in cost of living and periodic adjustments according to wage changes.

Permanent Disability Benefits

Disability pension: Same as old-age pension.

If disability occurs before age 55, pension is calculated to age 55 on imputed average earnings of the insured from age 25 to date of disability onset.

Minimum disability pension: 40,255 francs per month if insured for 40 years.

Adjustment: Automatic indexation of pensions to changes in cost of living and periodic adjustments according wage changes.

Survivor Benefits

Survivor pension: 100% of insured's lump-sum old-age pension, plus 75% of increment earned by insured. The concurrent drawing of a survivor pension and earnings or other personal pension is subject to a limit. Payable to either spouse, including a divorced spouse, based on years of marriage and number of contributions without regard to personal income.

Orphans: 1/3 of insured's basic pension, plus 25% of increment earned by insured. Full orphans receive a double pension.

Maximum survivor pensions: 100% of total pension of insured. Automatic indexation of benefits to changes in cost of living and periodic adjustments according to wage changes.

Administrative Organization

Ministry of Social Security, general supervision.

Old-Age and Invalidity Insurance Institution, administration of program for wage earners. Managed by employee-employer governing body, chaired by government official.

Private Salaried Employees' Pension Fund, administration of program for salaried employees; managed by employee-employer governing body; chaired by government official.

Pension Fund for self-employed artisans, merchants and manufacturers, administration of program for self-employed; managed by governing body made up of representatives of the various self-employed groups.

Agricultural Pension Fund, administration of program for farmers. Managed by governing body of representatives of the agricultural profession.

Public Employees Administration, administration for civil servants.

Sickness and Maternity

First law: 1901.

Current laws: 1992, 1998.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

All employees and social security beneficiaries.

Special systems for self-employed workers, artisans, and farmers (cash sickness and maternity). Voluntary membership in sickness fund for those not covered compulsorily.

Source of Funds

Insured person: 4.67% (wage earners) or 2.69% (salaried employees) of earnings. Pensioners, 2.57% of pension, additional 1% of taxable income for dependents.

Employer: 4.67% of wages and 2.69% of salaries. Pension insurance institutions, 2.57% of pensions paid.

Government: Subsidies represent around 35% of contributions, covers at least the whole cost of maternity allowances.

Maximum earnings for contribution purposes: 5 times national minimum wage (234,392 francs per month).

Qualifying Conditions

Cash sickness, medical, and dependency benefits: Membership in sickness fund.

Cash maternity benefits: Membership in fund 6 months in year prior to confinement.

Sickness and Maternity Benefits

Cash sickness benefit: 100% of earnings, payable for up to 52 weeks from 1st day of absence.

Cash maternity benefit: 100% of earnings, payable for 8 weeks before and 8 weeks after confinement (12 weeks if complications, multiple births, or if mother nursing child). Parental leave of 8 weeks available upon adoption of child.

Maternity allowance: Lump-sum of 105,344 francs payable for total of 16 weeks to persons who have no loss of income during maternity leave period.

Workers' Medical Benefits

Medical benefits: Free choice of service provider. Services provided by doctors and hospitals under collective agreements, according to agreed schedule of fees. Includes general and specialist care, hospitalization, laboratory services, maternity care, dental care, appliances, medicines, transportation, and rehabilitation services. Insured share in the cost of medical benefits: 5% for consultations, 20% for home visits, 219 francs a day for hospitalization, 20% for dental care up to limit of 1,334 francs per year, and 0%, 20% or 60% of cost of medicines.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured.

Benefits for dependent persons: Various services and cash benefits for the provision of assistant attendance by another person for the essential acts of daily life.

Administrative Organization

Ministry of Social Security, general supervision.

Administration of benefits by nine funds each responsible for different occupational categories. Funds are managed by elected committees composed of representatives of insured persons and employers.

Sickness Fund Union: Administration of dependency benefits.

Maximum salary for contribution and benefit purposes: 234,392 francs per month.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 100% of earnings.

Payable from 1st day of incapacity for up to 13 weeks.

Benefit is converted to a pension from 14th week.

Permanent Disability Benefits

Permanent disability benefits: 85.6% of earnings during last year up to a maximum of 200,640 francs per month, if totally disabled.

Constant-attendance supplement: Up to 100% of base salary.

Child's supplement: 10% of pension for each child under age 18 (27 if student, no limit if disabled) if insured is 50% or more disabled.

Not to exceed 100% of base salary.

Partial disability: Percent of full pension proportionate to degree of disability; converted to lump sum after 3 years if disability 10% or less (on request if disability 10%-40%).

Adjustment: Automatic indexation of benefits to changes in cost of living and periodic adjustments according to wage changes.

Workers' Medical Benefits

Medical benefits: Necessary care, including medical treatment and surgery, hospitalization, medicines, appliances, and rehabilitation.

Survivor Benefits

Survivor benefits: 42.8% of earnings of insured, or 53.5% if disabled, payable to widow or widower. Upon survivor's remarriage, lump sum is equal to 60 months' if under age 50 or 36 months' if aged 50 or over.

Orphans: 21.4% of earnings for each orphan under age 18 (27 if student, no limit if disabled). Other eligible survivors (in absence of above): Parents and grandparents, or carer of insured.

Maximum survivor pensions: 85.6% of earnings of insured.

Funeral grant: Lump sum of 1/15 of annual earnings or minimum wage, whichever is higher.

Adjustment: Automatic indexation of benefits to changes in cost of living or periodic adjustment according to wage changes.

Administrative Organization

Ministry of Social Security, general supervision.

Accident Insurance Association, administration of program for workers in industry, agriculture, forestry, and special programs.

Unemployment

First law: 1921.

Current laws: 1976 and 1978.

Type of program: Social insurance system.

Coverage

Employed persons, self-employed persons under certain conditions, recent graduates of schools, and those who have completed vocational training, aged 16-24.

Work Injury

First law: 1902.

Current laws: 1925 and 1954.

Type of program: Social insurance system.

Coverage

Employees, apprentices, domestic workers, and self-employed.

Special systems for public employees, students, and military.

Source of Funds

Insured person: None (except for self-employed).

Employer: 0.5% to 6% of payroll, according to risk.

Government: 50% of cost of administration, and 1/3 of the cost of pension adjustments due to wage changes.

Source of Funds

Insured person: 2.5% special solidarity tax.

Employer: None.

Government: Degree of financing set on a yearly basis by legislation.

Qualifying Conditions

Unemployment benefit: 26 weeks of work in last 12 months. Self-employed persons, 5 years except for special cases; recent graduates, 26 weeks of registered unemployment. Registered at employment office, capable of work and prepared to accept appropriate employment. Unemployment not due to voluntary leaving or refusal of suitable job offer.

Unemployment Benefits

Unemployment benefit: 80% (85% if have dependent child) of base salary during last 3 months, up to 2.5 times social minimum wage (2 times after 182 days; 1.5 times after 365 days); recent graduates, 70% of social minimum wage; self-employed persons, 80% of social minimum wage.

Amount reduced for unemployed person living with someone whose earnings exceed 2 times social minimum wage.

Payable for up to 365 days in 24-month period. Extension possible for 12, 9, 6 months for older unemployed; additional extension for hard-to-place unemployed.

Adjustment: Automatic indexation for changes in cost-of-living.

Administrative Organization

Ministry of Labor, general supervision.

Employment Agency, administration of program and payment of allowances.

family allowances.

Education allowances: All residents who are raising 1 or more children under 2 years of age for whom they receive family allowances.

Family Allowance Benefits

Family allowances: 5,371 francs per month for 1 child; 13,102 francs per month for 2 children; 24,459 francs per month for 3 children; and 9,354 francs a month each additional child; plus 548 francs a month per child aged 6-11 and 1,646 francs each if aged 12 or over. Supplementary allowance of 5,371 francs per month added for seriously disabled child.

Birth allowances: 59,058 francs, payable in 3 equal installments as prenatal allowance, birth grant, and postnatal allowance.

Beginning of school year allowances: 3,840 francs for 1 child over age 6; 5,486 francs if over age 12. 6,584 francs per child if there are 2 children over age 6; 8,230 francs if over age 12. 9,327 francs per child if there are 3 or more children over age 6; 10,973 francs if over age 12.

Education allowances: 16,460 francs per month.

Adjustment: Indexed to changes in cost-of-living.

Administrative Organization

Ministry of the Family, general supervision.

National Family Allowance Fund, administration of allowances.

Family Allowances

First laws: 1947 (employed persons) and 1959 (self-employed persons).

Current laws: 1977 (birth allowances), 1980 (maternity allowance), 1985 (family allowances), 1986 (beginning of school year allowances), and 1988 (education allowance).

Type of program: Universal system.

Coverage

All residents with dependent children who are brought up and are legally domiciled in the country.

Source of Funds

Insured person: Employee, none. Self-employed, 0.7% of income.

Employer: None.

Government: Entire cost.

Qualifying Conditions

Family allowances: Child must be under age 18 (27 if student, no limit if disabled before age 18).

Birth allowance: Proof of prescribed medical examinations and residence in Luxembourg.

Beginning of school year allowances: Payable to families with 1 or more children aged 6-18 (27 if student) who are eligible for